

245600



DEPT. OF TRANSPORTATION
DOCKETS

KeySpan Energy Delivery
52 Second Avenue
Waltham, Massachusetts 02451

03 JUN -9 AM 11:49

May 30, 2003

Dockets Facility
U. S. Department of Transportation
Room PL-401
400 Seventh Street, SW
Washington, DC 20590-0001

Subject: Research and Special Programs Administration (RSPA)
Docket No. RSPA-03-14456; Notice 1 - 4
Proposed Revision of 49 CFR 193
Liquefied Natural Gas Facilities: Federal Safety Standards

To Whom It May Concern:

KeySpan Energy ("KeySpan" or "the Company") is the largest gas distribution company in the Northeast, serving over 2.4 million customers. As a supplemental gas supply to provide adequate service to these customers, the Company operates 14 liquefied natural gas ("LNG") plants. These plants are located in Massachusetts, New Hampshire, New York, and Rhode Island.

In substance, KeySpan agrees with the proposal to incorporate the current version of NFPA 59A (the 2001 edition) into 49 CFR Part 193. The adoption of national consensus standards, which are developed by industry and other experts, is an appropriate and cost-effective method that results in efficient and reasonable regulations.

In part, the proposed rulemaking is intended to clarify that LNG facilities, currently existing or under construction, are governed by standards for the siting, design, installation, and construction in existence at the time they were built. In part, such plants are "grandfathered" from specific regulations that were adopted by the federal government subsequent to their siting, design, installation, and construction.

Further, the rulemaking incorporates the siting, design, installation, and construction requirements of NFPA 59A (2001) into Part 193 for new LNG facilities and for existing LNG facilities undergoing substantial modification.

KeySpan believes that these rules require further explanation and clarification by RSPA. Therefore, we offer the following comments for consideration.

NFPA 59A (2001) - Applicability to Existing LNG Plants

RSPA mentioned Chapter 2 *General Plant Considerations* and Chapter 9 *Fire Protection, Safety, and Security* of the 1996 edition of NFPA 59A in its preamble to the 2000 revision of Part 193. It would be appropriate for RSPA to clarify which sections of these chapters in the 2001 edition apply to LNG plants placed in service before Part 193, or revisions thereto, were adopted.

For example, NFPA 59A (2001), Chapter 2 *Plant Siting and Layout*, § 2.3.4 addresses portable LNG equipment. It appears that operators would have to comply with pertinent fire prevention and control issues in this section, even though it is not part of NFPA 59A (2001), Chapter 9 *Fire Protection, Safety, and Security*.

There may be other sections in Chapter 2, as well as in other NFPA 59A (2001) chapters, including NFPA documents in Chapter 12 *Referenced Publications* and the NFPA Appendices, to which operators of existing LNG plants must comply with in regard to fire prevention and control. In part, NFPA 59A (2001), Appendix D *Training* conflicts with the proposed revision to Part 193 (e.g., see reference to § 193.2727 *Training: fire protection* under NFPA 59A, Appendix D.1 *General*).

As another example, NFPA 59A (2001), Chapter 9, addresses issues that could be interpreted to require retrofitting existing LNG plants. These issues appear to include emergency shutdown systems, fire and leak control at the site, and fire protection water systems.

However, the proposed 2003 revision to § 193.2005 *Applicability* exempts LNG plant operators from regulations affecting the siting, design, installation, or construction of existing LNG facilities. Sections of NFPA 59A (2001), Chapter 9, could be interpreted to override or conflict with one or more of these four exempted processes. It appears to KeySpan, that Chapter 9 was promulgated for new LNG facilities - not for existing ones.

RSPA's language under § 193.2801 requires operators to meet the fire prevention and fire control provisions of NFPA 59A. This suggests that operators need to review NFPA 59A in its entirety to ensure it has identified all the applicable sections. Specifically stating chapters and/or sections would eliminate confusion.

In addition, we believe that NFPA's Chapter 9 could yield a wide spectrum of interpretations ranging from a status quo approach to significant retrofits for "grandfathered" plants. Chapter 9 also references *Safety and Security*, both of which are covered under 49 CFR 193, yielding further conflict and confusion.

KeySpan believes that 49 CFR Part 193, Subparts B, C, D, and E, apply to new LNG facilities and that Subparts F, G, H and J apply to new and existing LNG facilities. However, KeySpan is concerned about compliance issues for its existing LNG plants when crossing over from Part 193 to NFPA 59A (2001). RSPA should specify which sections of NFPA 59A (2001) are applicable to these plants.

In addition, it is appropriate to minimize potential conflicting interpretations of the proposed rules by operators and enforcement agencies, in order to mitigate alleged violations by these agencies.

These concerns are particularly important when many technical and operational variables from parts of two different types of documents, Part 193 and NFPA 59A (2001), are merged into one mandated regulation.

In summary, the Company contends that the applicability of the proposed rules to various types and ages of existing LNG plants is not easily understood by operators and, potentially, state regulatory agencies who enforce these rules.

NFPA 59A (2001), Chapter 10

Although not currently part of this rulemaking, the NPRM preamble implies that RSPA may incorporate NFPA 59A (2001), Chapter 10, by reference in Part 193 in the future. In pertinent part, RSPA states:

There are several significant differences between the 1996 and 2001 editions [of NFPA 59A]. The 2001 edition:

...5. Establishes operations and maintenance requirements. (We are not now proposing to incorporate these new requirements by reference in part 193.)

(See Federal Register/Vol. 68, No. 84/Thursday, May 1, 2003, p. 23274.)

NFPA 59A (1996 edition), Chapter 10, is entitled *Alternate Requirements for Vehicle Fueling for Industrial and Commercial Facilities Using ASME Containers*. NFPA 59A (2001 edition), Chapter 10, is entitled *Alternate Requirements for Stationary Applications Using ASME Containers*.

The 1996 edition applies to LNG containers of 70,000-gallon capacity or less and associated equipment for use in specific applications, such as vehicle refueling and dedicated fuel supply for commercial and industrial applications.

The 2001 edition applies to LNG containers of 100,000-gallon capacity and a maximum aggregate storage capacity at a plant of 280,000 gallons. This revised Chapter 10 appears to be evolving from a nonjurisdictional document for gas utilities under RSPA's authority to a jurisdictional one.

This major implication by RSPA impacts LNG plants used for supplemental gas ("peakshaving") by local distribution companies. Chapter 10 (2001 edition) runs the gamut of siting, design, construction, operation, maintenance, and fire protection.

RSPA has not addressed this issue in the NPRM other than with a parenthetical statement. Operators should not be left in limbo when the proposed 2003 revisions to Part 193 become final, and they could be subject to additional requirements of Chapter 10 in the future. Further, there could be conflicting requirements between Chapter 10 and other NFPA 59A (2001) chapters and/or Part 193.

Consequently, RSPA should clarify at this time that Chapter 10 would not apply to existing plants under its jurisdiction (i.e., plants providing supplemental gas for distribution).

Referenced NFPA Documents

There are numerous NFPA documents referenced in NFPA 59A (2001), Chapter 12 *Referenced Publications*, and Appendices. RSPA should clarify the significance and applicability of all of these documents, and in which part, in order that LNG operators can readily comply with Part 193.

Fire Drills

Another issue for RSPA to reconsider at this time is the revision to § 193.2717 *Training: fire protection*.

The NPRM specifically expands the concept of training by fire drills to include "actual evacuation of buildings and performance of fire control duties" because RSPA contends that tabletop fire drills are inadequate.

Tabletop fire drills are recognized nationally as a prominent method for training and procedural analysis and evaluation, particularly by federal and state emergency management agencies and local fire departments. This type of training could be adequate, depending on the many variables regarding the size, siting, and design of LNG plants.

In addition, state and local fire departments, agencies, and associations have developed many classroom courses and field locations for providing education and hands-on training for fire department and LNG operator personnel regarding natural gas, liquefied petroleum gas, and LNG. This is the case in the Northeast.

Further, LNG plants cannot arbitrarily operate fire prevention and protection equipment, such as water, dry chemical, and foam equipment, without backup on-site supplies and needless expense.

Consequently, it appears inappropriate for RSPA to specify which actions must be included in a fire drill and where these actions must be rehearsed. Because each LNG plant is substantially different than another, the fire drills should remain performance-oriented. Each LNG plant operator should be required to determine the method for compliance with this rule.

Compliance Date

The NPRM did not specify when LNG operators must comply with the final rule. KeySpan believes that at least one year from the effective date of this rule should be granted for operators to comply.

Summary

Clarification in regard to the preceding comments and other situations that may exist between Part 193 and NFPA 59A (2001) is of paramount importance as the NPRM progresses. This allows LNG operators and other entities to provide pertinent and timely comments in the future. In essence, RSPA should be explicit, either in the proposed rules or in the preamble thereto, about sections or subjects of the two documents that do or do not apply to existing LNG facilities, depending upon their initial in-service date. This is necessary to eliminate potential, unintentional noncompliance by operators with the final rule and to enhance the effectiveness and ease of enforcement of the rule by state regulatory agencies. This is of particular importance to KeySpan because its facilities are overseen by four different state agencies.

Consequently, it would be appropriate for RSPA to dispel confusion about which parts of two different documents, Part 193 and NFPA 59A (2001), are applicable to existing and to future LNG plants and plant facilities. This could entail an independent or joint comprehensive review and comparison of the entire documents by RSPA and operators before a final rule is adopted.

If you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D.G. Saad', with a large, stylized flourish at the end.

Daniel G. Saad, P.E.
Director
Production